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ABSTRACT

Part of a series of classroom aids designed for real estate instructors, this instructional packet was developed to help real estate students understand the characteristics of Texas real estate licensees based on a 1984 state survey which focused on the demographic, educational, business, career, income, and job specialization characteristics of a sample of Texas licensees. First, introductory information explains that the survey was mailed to 6,500 randomly selected licensees (4.5% of the 144,068 total licensees as of February 1984), and that usable responses were collected from 2,367 individuals. Next, survey findings are presented in the areas of: (1) demographic characteristics; (2) highest level of education completed; (3) time and income budgeting; (4) characteristics of the respondents' businesses (e.g., sales activity, ownership in the firm, number of salespersons employed); (5) career characteristics of the respondents; (6) aspirations and expectations; and (7) investment/income characteristics. A handout on investment and income characteristics, a series of overhead masters keyed to the text, and an evaluation form conclude the packet. (EJV)

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TEACHERS INSTRUCTIONAL PACKET
TIP No. 13, Spring 1987

THE TEXAS REAL ESTATE LICENSEE 1984: A PROFILE

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JC 870 369

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TIPS on the TIP

This Teacher Instructional Packet (TIP) is designed to provide the real estate instructor with a classroom supplement. Packets have been reviewed carefully, but there is always room for improvement. Suggestions to improve the usefulness of the TIP are welcomed.

Introduction to TIP-13

TIP-13 has been developed to provide students with information on the characteristics of Texas real estate salesperson. This TIP is based on a Real Estate Center survey of 1984 salespersons.

NOTE: Copies of the Center technical report, The Texas Real Estate Licensee 1984: A Profile are available to Texas real estate instructors. Request publication number 518. Instructors have permission to reproduce this report in full or in part providing no changes are made in the content.

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SUMMARY

This report presents a profile of the real estate licensees in Texas. Based on a 1984 survey conducted by the Real Estate Center the data describe some demographic, educational, business, career, income and job specialization characteristics of a sample of Texas licensees.

After pretesting a prototype survey, the main survey was mailed to 6,500 randomly selected licensees (4.5 percent of the 144,068 total licensees as of February 1984). Usable responses were collected from 2,367 individuals.

The survey included 42 items and gathered data in nine areas: types of license, educational background, professional affiliations, income sources, real estate specialization, time budgeting, career satisfactions, career aspirations and educational and informational needs. Graphic and narrative summaries of these responses are presented in the main body of the report.

No hypotheses were tested; the purpose of the study was to profile the licensees. Characteristics of respondents who were members of the Texas Association of Realtors (TAR) are compared to the results of a TAR membership survey conducted in March 1984.

Demographic Characteristics

More than 70 percent of the respondents were between the ages of 30 and 59. Only 3.4 percent were under 25; 7.3 percent over 65. The mean age was 40.3 years for all respondents to the survey who were members of TAR, compared to 44 years for respondents to TAR's 1984 survey[†].

A slight majority (59 percent) of the respondents were male, compared to 53.8 percent reported by TAR.

Seventy-seven percent of the survey's TAR member-respondents reported their marital status as married, compared to 79 percent reported in TAR's survey.

Approximately 65 percent of the respondents resided in one of the 13 largest metropolitan counties.

Education

More than 90 percent of respondents reported some college experience. One-half of the 1,139 respondents with college degrees (48.5 percent) majored in either business administration (28.9 percent) or arts and sciences (20.7 percent). Slightly more than 13 percent reported advanced degrees.

Visual #1
Highest Level of Education Completed

Other items related to education included data on reading habits. The local newspaper, Texas Realtor and Real Estate Today were the most frequently mentioned sources for real estate information. Among combinations of other periodicals read regularly, local newspaper, and the local newspaper combined with the Wall Street Journal were most frequently indicated.

Visual #2
Periodicals Needed for Real Estate Information

Time and Income Budget

Respondent's time was spent in a wide variety of real estate activities. Single-activity specialization is uncommon among respondents. Items reported to take at least 50 percent of their time (tabulated here as

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[1] Texas Association of Realtors, Membership Survey, March 1984.

"primarily") included 39.4 percent single-family sales, farm and land (5.0 percent), appraising (2.7 percent), investment (2.3 percent), property management for self (2.2 percent), construction/development (2.1 percent), property management for others (2.1 percent) and mortgage financing (1.3 percent). All other respondents indicated more complex combinations of responses.

Visual #3
Time Spent in Real Estate Activities

Placing brokerage activities into a larger perspective, respondents were asked to indicate their allocation of time between real estate brokerage, non-brokerage real estate and non-real estate business activity. Forty-three percent indicated they devoted their time primarily to real estate brokerage (50% or more of their time). Non-brokerage real estate accounted for 16.4 percent, while 17.3 percent reported primarily non-real estate business activities. The remainder of respondents reported various complex combinations with less time concentrated in a single activity.

The average percentage of time devoted to real-estate brokerage by all respondents was 51.8 percent, non-real estate 23.6 percent and non-brokerage real estate 21.3 percent (Figure 4).

Visual #4
Work Hours Per Week

Responses to allocation of income from the same combination of activities included 38.6 percent primarily from real estate brokerage, 20.6 percent from non-real estate and 15.3 percent from non-brokerage real estate. Other combinations of activities accounted for the remainder of time. Respondents averaged 48 percent of their income from real estate brokerage, 21.6 percent from non-brokerage real estate and 27.2 percent from non-real estate business. Respondents received slightly less than one-half their 1983 income from real estate brokerage.

Respondents averaged 30.6 hours/week in real estate brokerage, and 47.9 total hours/week worked.

Respondents reported investments as 27.4 percent primarily in real estate, while 8.6 percent reported as primarily non-real estate. Fourteen percent reported investments in their own brokerage business, while 29 percent reported other combinations, but no item exceeded 24 percent. These results compare to 30.1 percent who indicated their own brokerage business as the primary source of income, 9.3 percent indicated non-real estate and 9.1 percent from other non-brokerage real estate.

Visual #5
Investments

By comparison, the mean percentages for investments and income were:

	Income	Investment
own brokerage	20.3	38.3
other real estate	28.6	18.9
stocks and bonds	12.2	4.1
commodities	0.6	0.3
non-real estate business	16.3	14.4
other	7.8	18.0

While 11.2 percent of the respondents reported none of their 1983 household income from real estate activities, 22.2 percent reported 100 percent from real estate.

The median income from real estate brokerage in 1983 for all respondents was $10,000-14,999. Assuming uniform distribution of values within each class, the average brokerage income for 1983 was $11,027. While 11.6 percent of respondents reported no income from brokerage, 15.6 percent reported brokerage income of $60,000 or more per year.

Business Characteristics

The survey included items related to the respondent's business, such as the location of sales activity, ownership interest in the firm, number of salespersons, respondent's function in firm and years associated with the firm.

More than 30 percent of the respondents indicated primarily suburban real estate sales. Second was central city (27.3 percent), small town (14.1 percent) and rural property (13.1 percent).

Visual #6
Location of Real Estate Sales

More than one-half (52.6 percent) of the respondents indicated no ownership interest in their real estate firm. Of the 43.4 percent who indicated some ownership interest, more than half were sole-owners.

The mean number of full-time persons engaged in selling per firm was 18.2, while 22.5 percent indicated no other persons engaged in selling, 3.1 percent indicated 101 to 999 others in their firm engaged in selling. Responses indicated a mean of 3.9 for the number of other part-time salespersons. Of those, 42.8 percent indicated no other part-time salespersons, while 3.4 percent indicated more than 10 part-time salespersons associated with their firm.

Eighteen percent of the respondents indicated some management function in the firm. However, only 3.8 percent indicated no selling responsibilities. Seventy-four percent indicated some selling function. Roughly one in 20 listed property management as their function in the firm.

Many respondents (29.4 percent) indicated less than one year with their present firm. The mean number of years associated with the present firm for all respondents was 5.8 years. More than

one-third of the respondents have not been associated with another firm. The mean number of other firms with which all respondents were associated is 1.3.

While 16.8 percent of respondents indicate their firms were franchises, 71.9 percent indicated the firm was single-office.

Only 24 percent of respondents indicated their offices were video equipped. Of those who had video, 77 percent indicated the use of the VHS video format and 18 percent had a camera. Slightly more than one-half (56.3 percent) indicated their office was equipped with a computer and 49 percent had a phone modem. No single model, manufacturer or operating system seemed to dominate.

Career Characteristics

Brokers constituted 59 percent of the respondents. The mean number of years since respondents had received a saleman's license was 8.2 years. Twenty-five percent of the respondents had received their salesman's license since 1981. Thirty-two percent had received their license in 1970 or before.

Visual #7
Year Licensed as Salesperson

Almost half the respondents were members of the Texas Association of Realtors. Of TAR members 63.3 percent were Realtors, 36.7 Realtor-Associates. Almost one-half belonged to other professional associations. Of these, 46 percent belonged to a local realty Board or association. No single other association dominated the response.

Only one respondent in eight spent an entire career in real estate. The average respondent had been actively engaged in real estate 8.1 years. Forty-five percent of the respondents were full-time brokers, 25.5 percent were part-time; 28.0 percent had an active license but did not use it and 2.0 percent held an inactive license.

Visual #8
Activity in Real Estate Brokerage

Eighteen percent of the respondents indicated their current major occupation was real estate sales. Only 28.5 percent indicate real estate as their current major occupation. Fifteen point two percent of the respondents indicated having been associated with more than two other real estate firms.

Visual #9
Current Major Occupation

Aspirations and Expectations

Ninety-six percent of the respondents planned to continue a career in real estate. Of these, 83 percent planned to develop or increase their specialization in real estate. The seven top areas of specialization listed were: personal real estate investments (12.7 percent), residential brokerage (10.3 percent), commercial brokerage (7.8 percent), farm and ranch (5.8 percent), development (4.2 percent), investment properties brokerage (3.5 percent) and property management (3.0 percent). Others listed more complex combinations of activities.

Visual #10
Aspirations and Expectations

On a five-point scale, respondents were asked to rate their career satisfaction in real estate. The scale ranged from 1 (very dissatisfied) to 5 (very satisfied). The mean response score was 3.88 (78 percent) on the five-point scale. Only 4 percent indicated they were very dissatisfied with a career in real estate.

Investment/Income Characteristics

Respondents were asked two related questions: 1) "What percent of your investments fall into the following categories?", and 2) "What percent of your income is derived from the following investments?". Handout A represents frequences of responses tabulated to reflect the percent distribution of multiple responses. "Primarily" refers to a response of 50 percent or more, while "seconding" to responses of 25 to 49 percent. Responses not modified by either of these terms represent 1 to 24 percent as a response.

Handout A
Investment/Income Characteristics

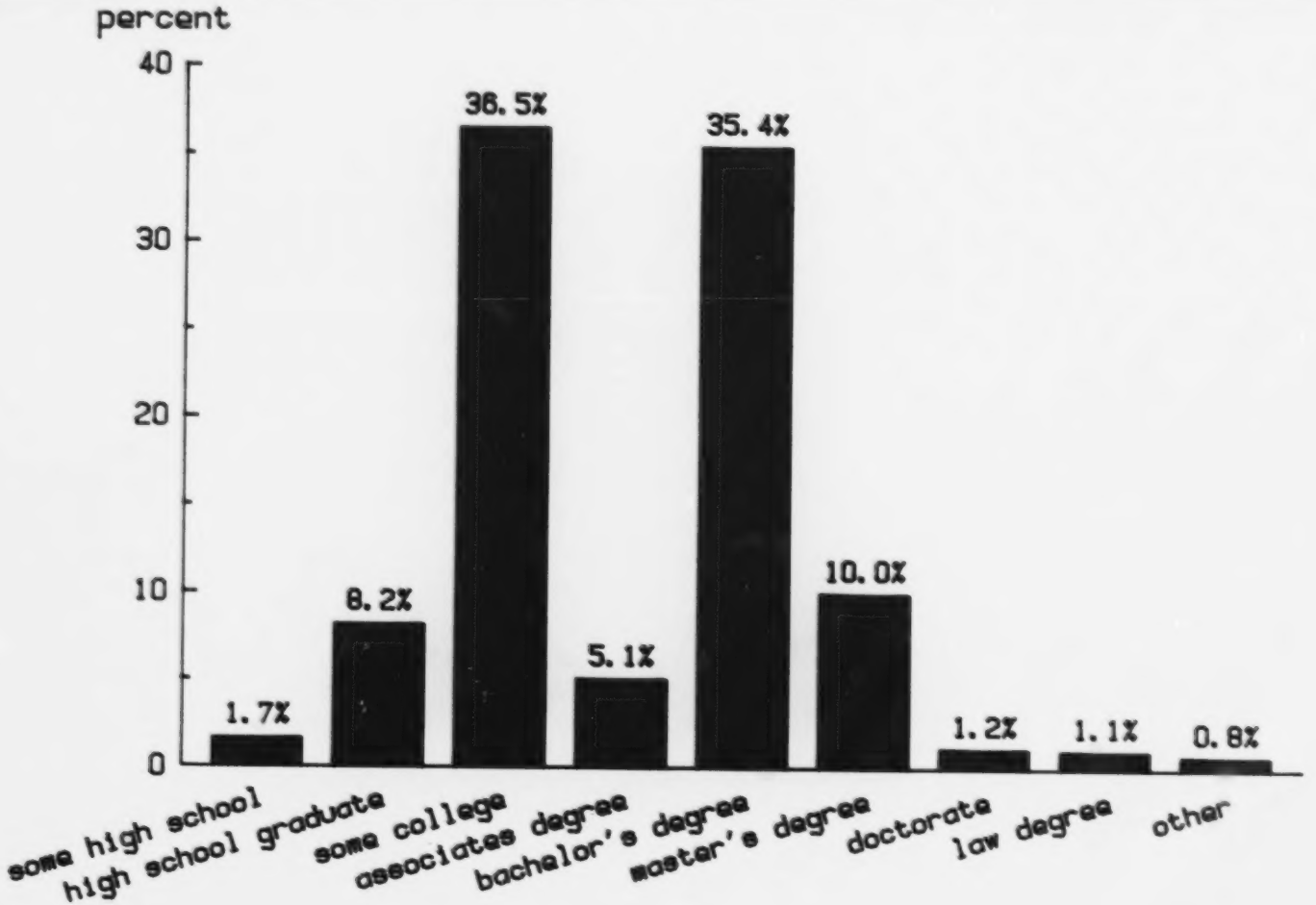
Handout A

Investment/Income Characteristics

Allocation of Investments		Derivation of Investment Income	
primarily in own brokerage business	14.1%	primarily from own brokerage business	30.1%
primarily in other real estate related investments	27.4%	primarily from other real estate related investments	9.1%
primarily in non-real estate related business	8.6%	primarily from non-real estate related business	9.3%
primarily in stocks and bonds	5.2%	primarily from own brokerage business, secondarily from other real estate related	3.5%
primarily in other real estate related, secondarily in stocks and bonds	2.8%	primarily from other real estate related, secondarily from own brokerage business	1.7%
in some other combinations	29.0%	from some other combinations	26.7%
primarily in own brokerage business, secondarily in real estate related	2.6%	primarily from non-real estate related business, secondarily from other real estate related	1.7%
primarily in real estate related, secondarily in non-real estate related business	2.3%	primarily from other sources	13.9%
primarily in own brokerage business and in other real estate related business	2.3%	primarily from own brokerage and other real estate related	2.2%
primarily other	5.7%	primarily from other sources, secondarily from own brokerage business	1.8%

Source: Real Estate Center at Texas A&M University

Highest Level of Education Completed



Real Estate Center
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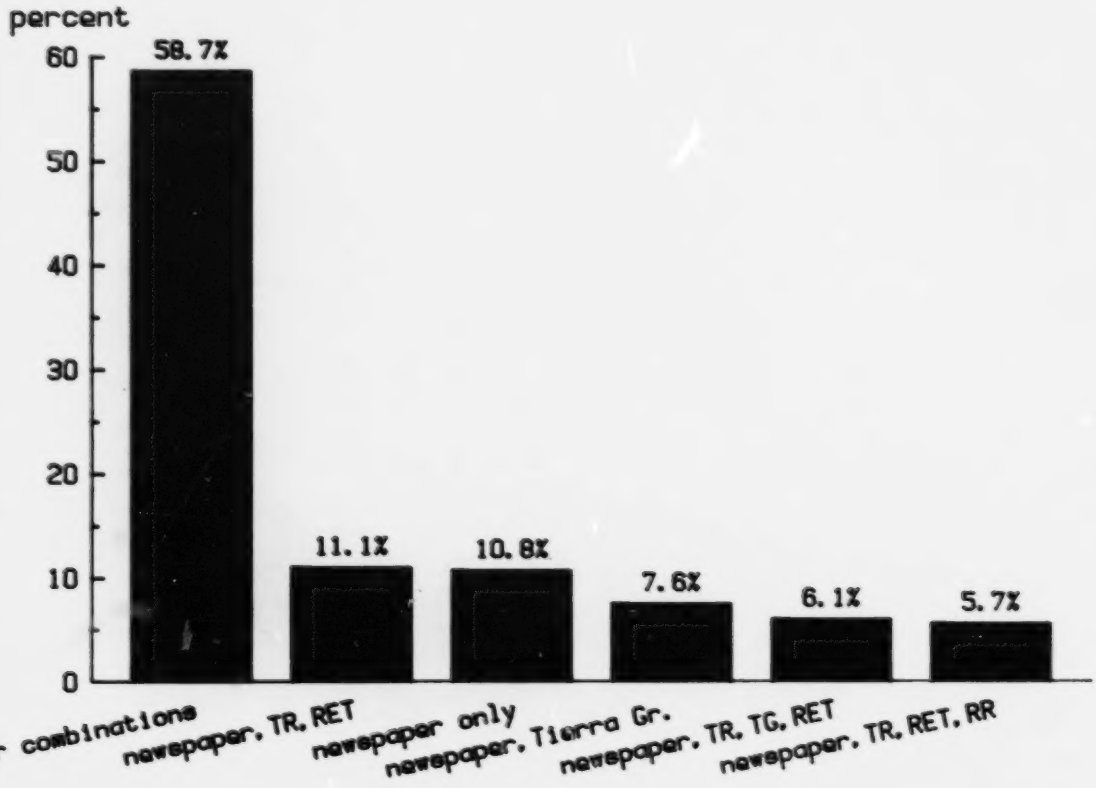
Visual No. 1

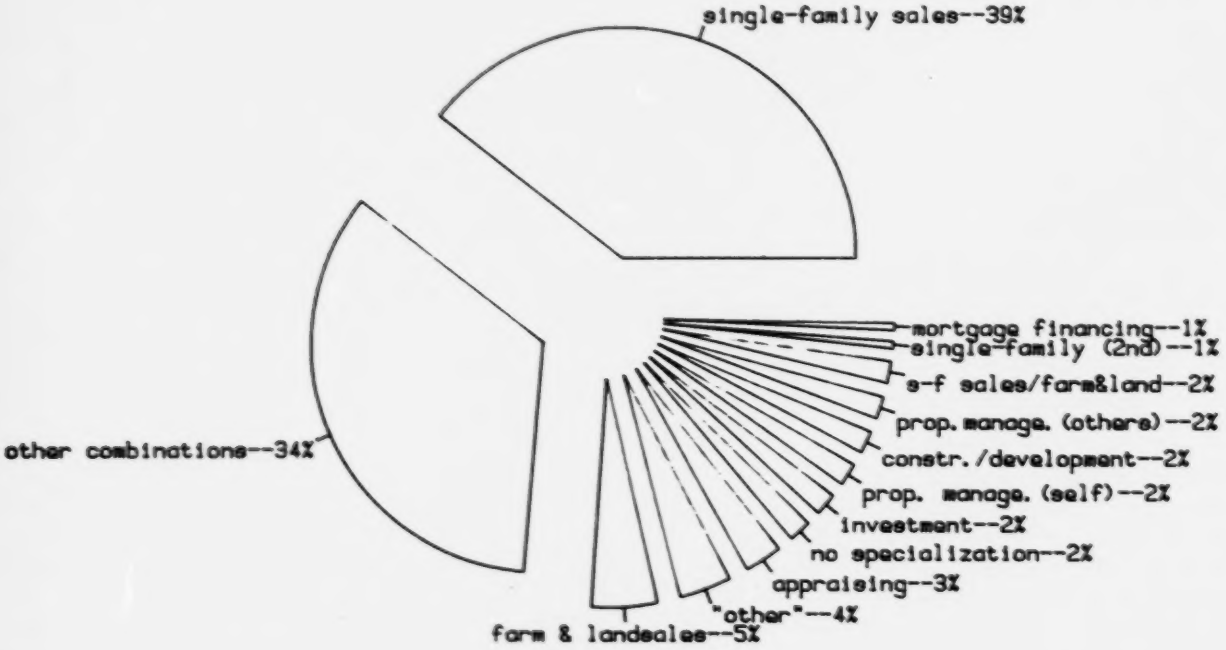
Periodicals Needed for Real Estate Information



TR is Texas Realtor, RET is Real Estate Today
TG is Tierra Grande and RR is Realtor Review

Real Estate Center
Texas A&M University
Visual No. 2

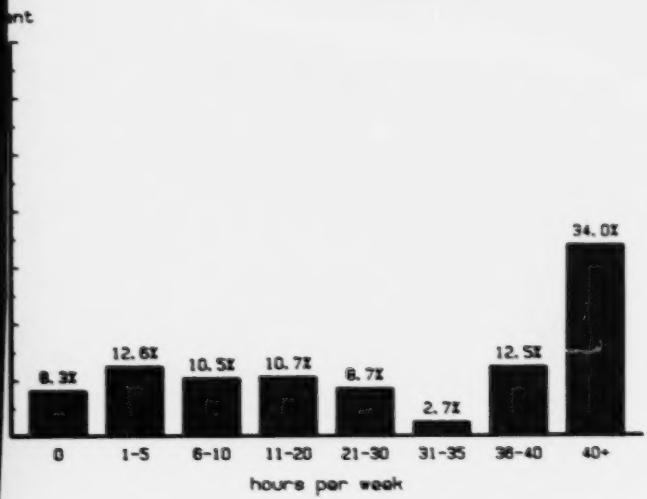
Time Spent in Real Estate Activities



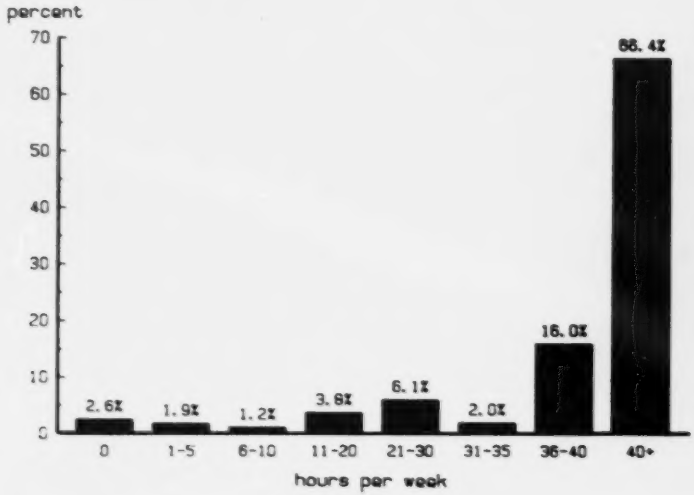
Real Estate Center
Texas A&M University
Visual No. 3

Work Hours Per Week

Hours Per Week in Real Estate Brokerage



Total Hours Per Week Worked



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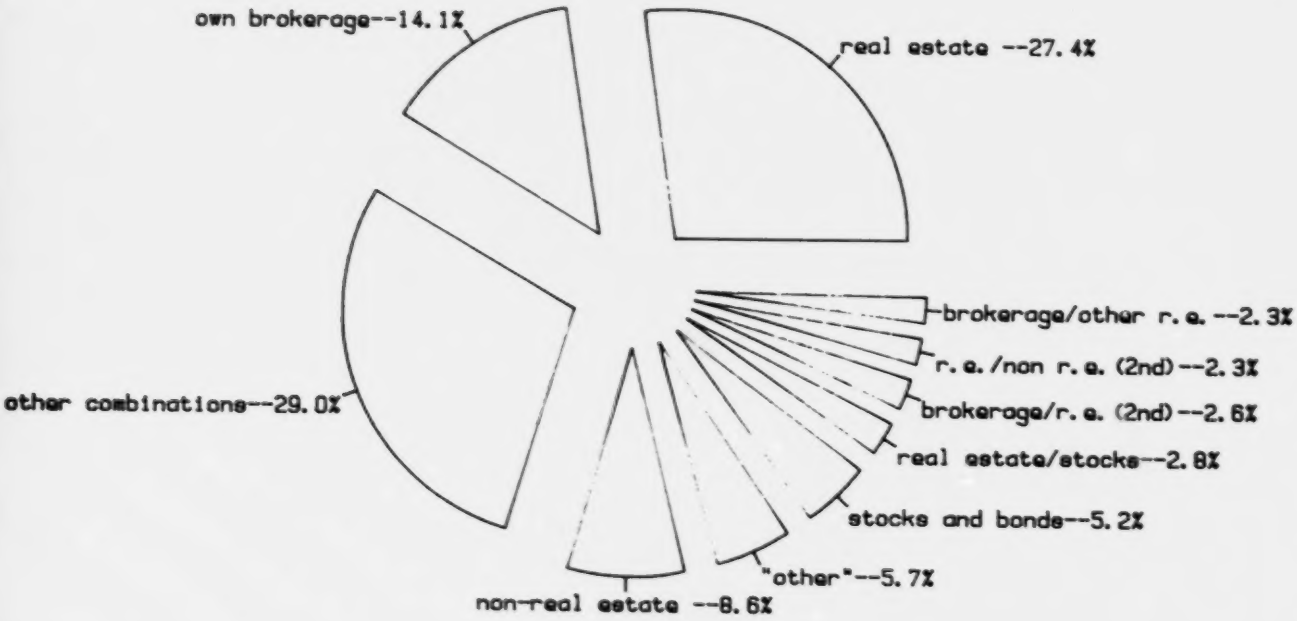
Visual No. 4

Investments



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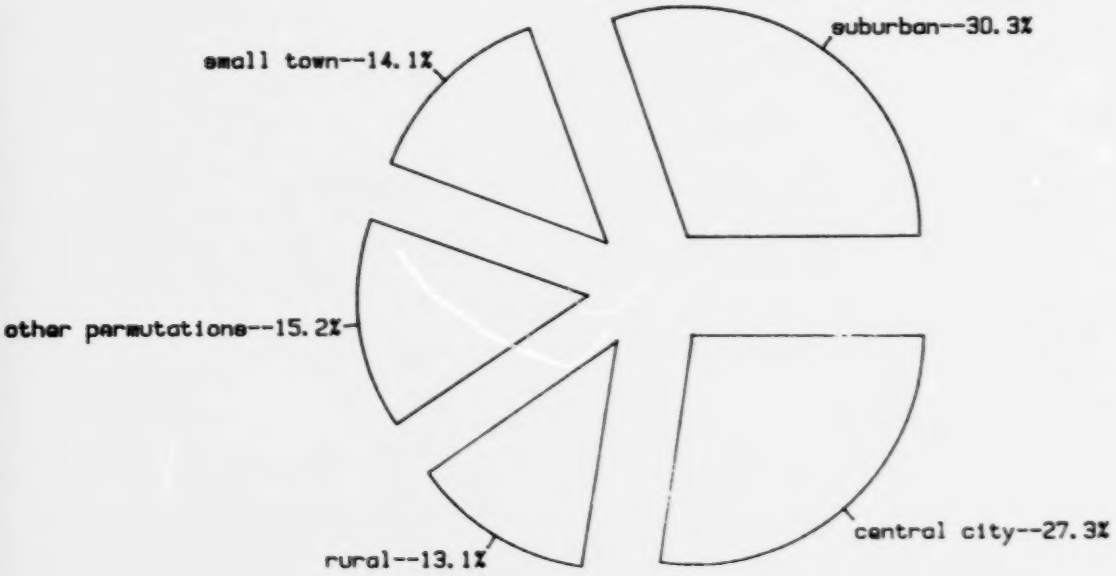
Texas A&M University
Visual No. 5

Location of Real Estate Sales



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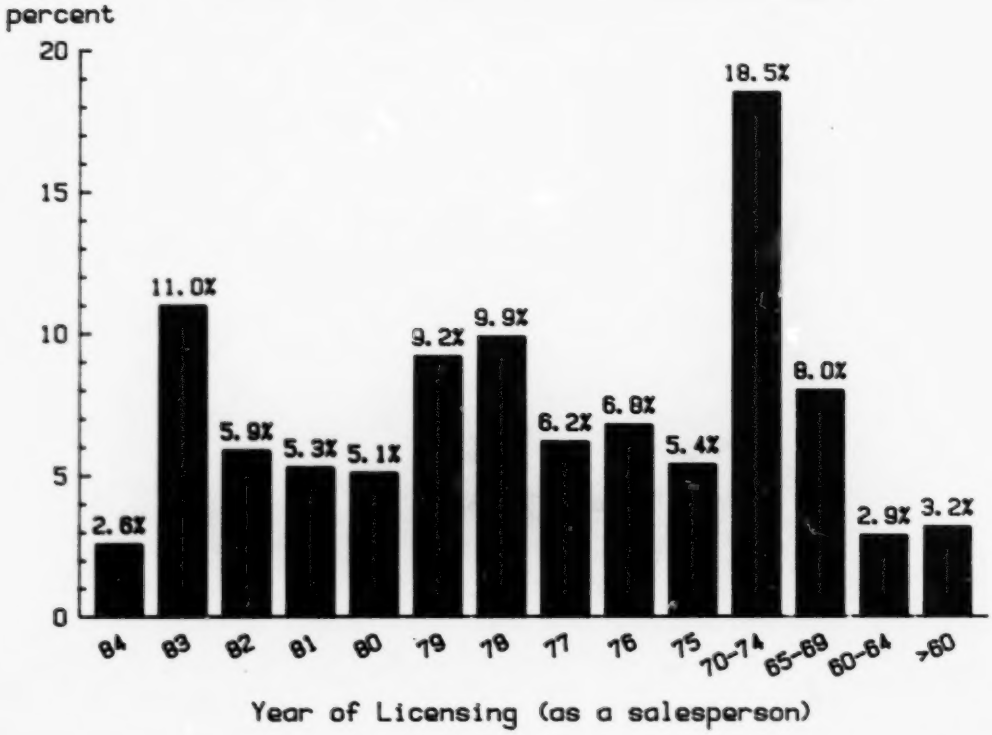
Visual No. 6

Year Licensed As Salesperson



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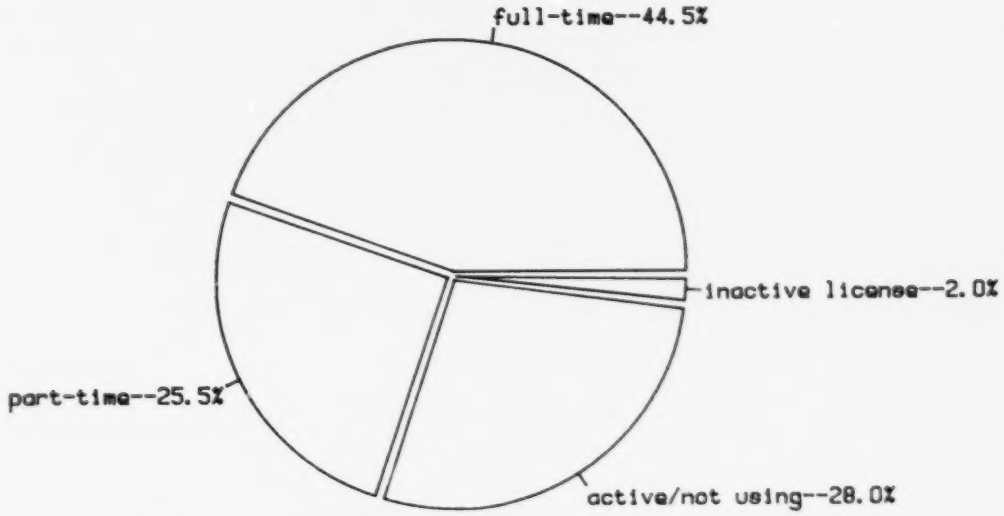
Visual No. 7

Activity in Real Estate Brokerage



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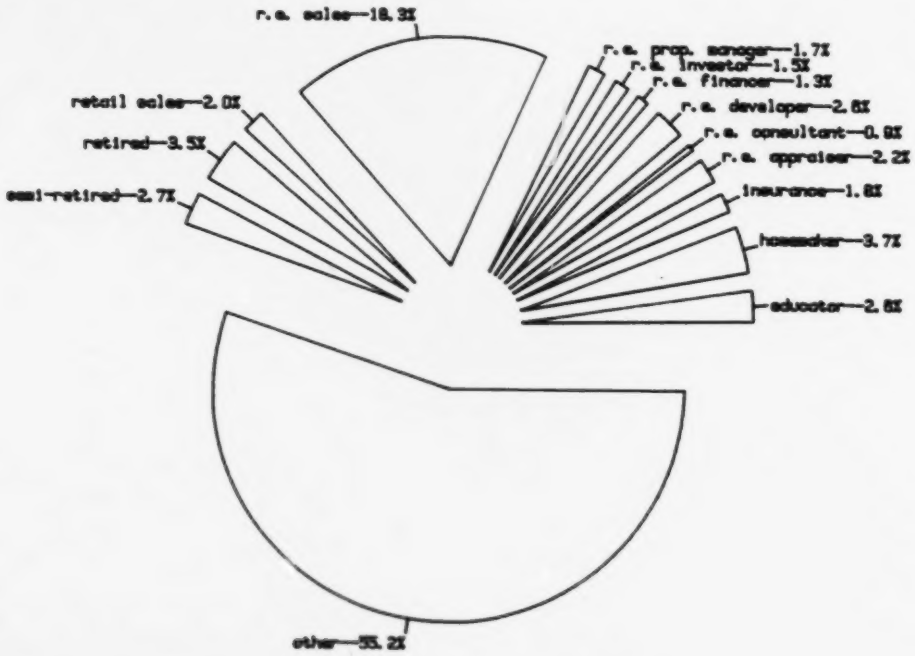
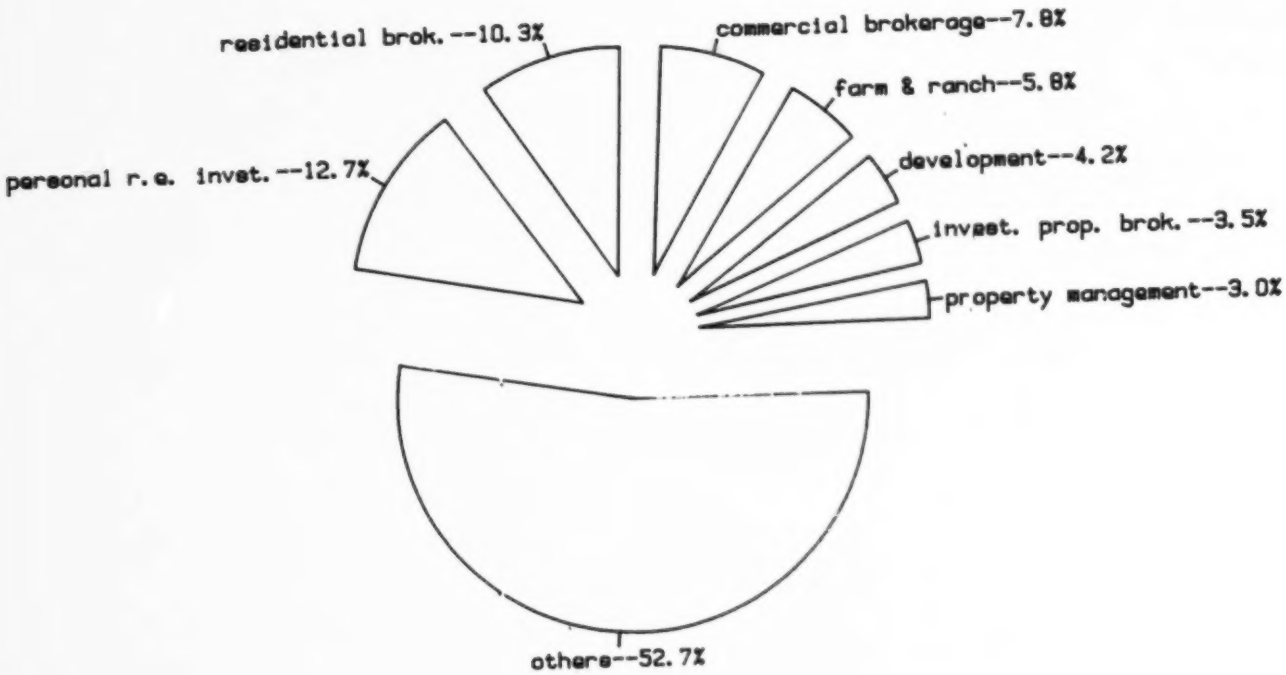
Visual No. 8

Current Major Occupation



Aspirations and Expectations



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Visual No. 10

INSTRUCTORS EVALUATION

In order for the Texas Real Estate Research Center to be able to better assess the effectiveness of this packet, your input is requested. Please complete this form and return it to the address provided.

CONCEPT

1. What overall rating would you give this concept?

useless 1 2 3 4 5 6 7 8 9 10 invaluable

RATING THE ELEMENTS

2. How do you rate the elements of this TIP?

Content:

too general 1 2 3 4 5 6 7 8 9 10 too technical

Amount of material:

too little 1 2 3 4 5 6 7 8 9 10 too much

Format:

too simple 1 2 3 4 5 6 7 8 9 10 too complex

STRENGTHS AND WEAKNESSES

3. What were the strengths of the package? _____

_____

_____

_____

4. What were the weaknesses of the package? _____

_____

_____

SUGGESTIONS

5. What specific changes would you like to see in future TIPs?

_____

_____

6. What additional topics would you suggest for the TIP series?

a. _____ c. _____

b. _____ d. _____

EXPECTED USE

7. Do you expect using this packet in the next three months?

_____ yes _____ no

8. If you answered "yes" to question 7, to what classes will this material be presented?

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